

KENTUCKY HEALTH BENEFIT EXCHANGE ADVISORY BOARD

QUALIFIED HEALTH PLANS SUBCOMMITTEE

Meeting Minutes

November 15, 2012

Call to Order and Roll Call

The third meeting of the Qualified Health Plans Subcommittee was held on Thursday, November 15, 2012, at 11:30 a.m. in the Small Conference Room at the Office of the Kentucky Health Benefit Exchange. Deborah Moessner, Chair, called the meeting to order at 11:30 a.m., and the Secretary called the roll.

Subcommittee Members Present: Deborah Moessner, Chair; Julia Costich, Dr. Joe Ellis, Carl Felix, Nancy Galvagni, Donna Ghobadi, Dr. Michael Huang (by phone), Dr. Amanda Howell (by phone), Bob McFalls, Ramona Osborne, Dr. Andrew Slavik (by phone), and Joe Smith. Jeff Bringardner, Greg Baker, Ruth Brinkley, Shelley Gast, and Mike Minor were not present at the meeting.

Staff Present: Miriam Fordham, Wanda Fowler, Bill Nold, Brenda Parker, Melea Rivera, and Gary Smith.

Approval of Minutes

A motion was made to accept the minutes of the October 23, 2012, meeting as submitted, seconded, and approved by voice vote.

Discussion of Qualified Health Plan Administrative Regulation Draft

The subcommittee reviewed and discussed a draft outline of an administrative regulation to be promulgated by the Exchange for certification of a Qualified Health Plan (QHP). One issue to be considered in the QHP certification process is the timeline for issuers to be ready to file their rates and forms. The National Association of Insurance Commissioners has announced that the enhancements to the System for Electronic Rate and Form Filing (SERFF) needed to file the new rates and forms will not be ready until March 2013. Bill Nold, Deputy Executive Director, Office of the Kentucky Health Benefit Exchange, stated that the Exchange would need to be ready to let issuers know what the requirements would be to become a certified as a QHP by January 2013, but the Exchange is faced with delays in the readiness of the SERFF. This raises a problem as to whether issuers will have enough time to be ready for filings and rate reviews by the Department of Insurance. Members expressed concern that issuers would be apprehensive about filing their rates so early, that the timeline is aggressive, and issuers will have to be more conservative in their rate filings.

The subcommittee also discussed the method for handling issuer rate filings given that under the Open Records Law adhered to by the Department of Insurance any rate or form filed by an issuer becomes public record, which may create a competitive disadvantage. Mr. Nold stated that Maryland handles the issue by allowing an opportunity for an informal rate and form filing to iron out problems before the formal filing. After some discussion, the subcommittee recommended that the Exchange communicate with the Department of Insurance to establish an informal process that would precede the filing of forms and rates that have a common filing date.

Mr. Nold stated that the KHBE does not plan to establish a regional Exchange in partnership with another state or subsidiary Exchanges. However, due to this decision, the service area of the QHP will have to be the entire state. There is a question pending before the U.S. Department of Health and Human Services as to whether the service area of a QHP will have to be the entire state and whether or not an issuer can participate in a statewide Exchange on a regional basis. Since, traditionally, Kentucky has used the eight Medicaid regions as rating areas, there is a question as to whether an issuer could offer a QHP in less than the eight Medicaid regions when the service area is less than the entire state. Mr. Nold stated that the issue would need further discussion and there is flexibility under the Affordable Care Act. Members raised concerns about opportunities for adverse selection and cherry picking if issuers are allowed to offer a QHP on less than a statewide basis. Members also expressed concern that there may be areas of the state that might be underserved if a regional carrier that had traditionally served a certain area no longer offered a health plan in the area. Chairman Moessner suggested that the issuers consult their actuaries about the questions raised and continue the discussion at a future meeting. Nancy Galvagni suggested that there may be a timeframe for a regional carrier to get to a statewide basis which would be the ultimate goal. The subcommittee also discussed the issue of establishing subsidiary exchanges. It was noted that a subsidiary exchange would drive up cost and would not be good option to pursue.

The subcommittee also had some discussion regarding the possibility of establishing a cap on the number of plans that a QHP would be allowed to offer on the Exchange. Members raised concerns that offering too many plans would be confusing for consumers. Mr. Nold stated that Massachusetts' experience in setting up its Exchange was that there were too many plans offered initially. Chairman Moessner suggested that there may be a cap such that issuers would offer "no more than" a specified number of plans. The subcommittee will continue discussing the issue.

Mr. Nold stated that the process for recertification and decertification of a QHP were other issues that needed to be considered in drafting the QHP administrative regulation. Mr. Nold advised that there is currently no requirement under Kentucky's Insurance Code for recertification of health plans. The question arises as to how often a QHP would be required to be recertified. Members stressed that in establishing the process for recertification it was important that a streamlined and reasonable approach be used and that the process for decertification be clear as to what is being done, who is doing it, how often, and what is the process that issuers can rely on for compliance. The subcommittee also discussed rate renewal periods.

Mr. Felix put forth recommendations regarding accreditation for those health plans that do not hold URAC or NCQA certification. Ramona Osborne put forth recommendations regarding

streamlining of physician credentialing, machine readable member identification cards, availability portal, simplification of QHP and provider contracting, restructuring of the clinical care management process, uniform recognition of modifiers and consistent billing protocols, service metrics, transparency of bundling logic, disclosure of ICD-10 readiness, and requiring QHPs to adhere to patient protection laws currently in place for commercial plans.

Other Business

The next meeting of the subcommittee will be held on December 20, 2012, at 11:30 a.m. at the Office of the Kentucky Health Benefit Exchange.

Adjournment

The meeting adjourned at 1:00 p.m.